

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

TRISTRATA TECHNOLOGY, INC., :
 :
 Plaintiff, :
 :
 v. :
 :
ICN PHARMACEUTICALS, INC., :
 :
 Defendant. :

Civil Action No. 01-150 JJF

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MEMORANDUM OPINION

April 7, 2004

Wilmington, Delaware

Farnan, District Judge.

Presently before the Court is the Motion For An Accounting Of ICN's Viquin Sales filed by Plaintiff Tristrata Technology, Inc. ("Tristrata"). (D.I. 182.) For the reasons set forth below, the Court will deny the Motion.

BACKGROUND

Following the close of evidence, the jury returned a verdict finding that ICN Pharmaceuticals, Inc.'s ("ICN") products infringed claims 1, 9, 17, and 25 of U.S. Patent No. 5,561,157 (the "'157 patent") and claims 19, 20, and 26 of the 5,665,776 (the "'776 patent"). The jury also found that none of these claims were invalid and that Tristrata was entitled to a reasonable royalty amount of \$846,000.

At trial, Tristrata presented evidence regarding ICN's sales of two of the three products accused of infringing the '157 and '776 patents, Glyquin and Glyquin XM. However, Tristrata did not present extensive evidence regarding ICN's Viquin sales because the sales numbers for Viquin were "rolled in" with the sales numbers of other ICN products within the same category. (D.I. 195, Ex. 1 at 748-49.) Notwithstanding this lack of sales numbers for Viquin, Tristrata submitted to the jury the question of the amount of ICN's sales of Viquin for the purpose of determining a reasonable royalty for ICN's infringement. By its Motion, Tristrata requests the Court to order an accounting of

ICN's Viquin sales.

DISCUSSION

I. Parties' Contentions

Tristrata contends that the Court should order an accounting of ICN's Viquin sales because the jury did not consider these sales in its calculation of damages. Tristrata contends that its expert, Mr. Evans, testified that he was unable to include Viquin sales in his damages calculations and that the jury apparently adopted Mr. Evans's damages projections. Tristrata asserts that the reason for the lack of information on its damages due to ICN's Viquin sales is a result of ICN's failure to provide Tristrata with adequate discovery regarding these sales.

ICN responds that Tristrata is precluded from an accounting in this case because it neither requested an accounting in its Complaint or in its PreTrial Order. Further, ICN contends that the amount of damages resulting from its sale of Viquin was presented to and considered by the jury. ICN maintains that the jury did not adopt Tristrata's suggested damages calculation, and therefore, any alteration of the jury's damages award by the Court would violate ICN's Seventh Amendment right to a jury trial.

II. Decision

The Pretrial Order presented by Tristrata included, as an issue of fact to be decided by the jury:

7: What were ICN's sales of Viquin, Glyquin and Glyquin XM between 1996 and 2003?

(D.I. 100, Ex. 1 at 8.) Absent from Tristrata's Proposed Pretrial Order (D.I. 100) is any request for a post-verdict accounting of ICN's Viquin sales. This was a waiver of Tristrata's right to an accounting. See Fed. R. Civ. P. 16(e) ("[A Rule 16] order shall control the subsequent course of the action . . . [and] shall be modified only to prevent manifest injustice."); Thorn EMI North Am., Inc. v. Intel Corp., 936 F. Supp. 1186, 1191 (D. Del. 1996) (citations omitted); CPC Int'l Inc. v. Archer Daniels Midland Co., 831 F. Supp. 1091, 1102-03 (D. Del. 1993).

In addition, and more importantly, Tristrata stated to the jury in its closing arguments that it was the jury's duty to calculate a reasonable royalty rate that included ICN's Viquin sales:

[Y]ou have to keep in mind we did not have any Viquin sales, they said they couldn't give it to us because it was integrated with a whole bunch of other things.

. . .

You'll have to consider all of these factors when you try to decide what is a reasonable royalty.

(D.I. 199, Ex. 1 at 821:8-17.) Evident from Tristrata's closing is its intention to have the jury answer the question of the amount of the Viquin sales. Apparently, Tristrata believed that the jury could reach an appropriate verdict without specific numbers detailing ICN's sales. If, as Tristrata now contends, it

believed that the jury had insufficient information by which to return a non-speculative award including these damages, the Court would have expected Tristrata to have requested an accounting of these sales in its Pretrial Order and only submitted the question of whether Viquin infringed its patents to the jury. Instead, Tristrata placed before the jury the question of the amount of Viquin sales, and therefore, the Court concludes that Tristrata intended the jury to render a final determination on the issue.

The Court is also not persuaded that the cases relied on by Tristrata require the Court, despite Tristrata's submission of the question of the amount of the Viquin sales to the jury, to order an accounting in the instant case. Tristrata cites Itron, Inc. v. Benghiat, 2003 WL 22037710 (D. Minn. Aug. 29, 2003), for the proposition that courts may order an accounting where juries do not consider certain periods of infringing activities. Id. at *15-16; see also Maxwell v. J. Banker, Inc., 879 F. Supp. 1007, 1011 (D. Minn. 1995); Mikohn Gaming Corp. v. Acres Gaming, Inc., 2001 U.S. Dist. LEXIS 23416 at *56-64 (D. Nev. Aug. 1, 2001). Unlike Itron, however, in this case Tristrata put directly before the jury, and the Court is persuaded the jury deliberated and decided, the question of the amount of ICN's Viquin sales. Therefore, the Court concludes that, in the circumstances of this case, Itron does not entitle Tristrata to an accounting.

In sum, the Court concludes that Tristrata waived its right

to request an accounting by not including it in its Pretrial Order. Further, the Court concludes that Tristrata intended to have the jury decide, and the jury so decided, the question of the amount of ICN's Viquin sales. Accordingly, the Court will deny Tristrata's Motion.

CONCLUSION

For the reasons discussed, the Court will deny the Motion For An Accounting Of ICN's Viquin Sales filed by Tristrata.

(D.I. 182.)

An appropriate Order will be entered.

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O R D E R

At Wilmington, this 7th day of April, 2004, for the reasons
discussed in the Memorandum Opinion issued this date;

IT IS HEREBY ORDERED that the Motion For An Accounting Of
ICN's Viquin Sales filed by Plaintiff Tristrata Technology, Inc.
(D.I. 182) is **DENIED**.

JOSEPH J. FARNAN, JR.
UNITED STATES DISTRICT JUDGE